City of Omaha Employees Retirement System

Investment Policy

Adopted 12/21/2016

Table of Contents

Investment Objectives – Total Fund

I. Investment Philosophy – Long-term Objectives

A. The primary objective of the City of Omaha Employees Retirement System is to provide eligible employees with regular pension benefits. Since the Plan is governed by the statutes of the State of Nebraska, the provisions contained are hereby recognized and will serve as guidance to the management of this fund. In particular, the "Prudent Investor" guideline is to be followed in regard to the investment management of the fund.

B. Consistent with prudent standards for preservation of capital and maintenance of liquidity, the goal of the Plan is to earn the highest possible total rate of return consistent with the Plan's tolerance for risk as determined by the Investment Committee in its role as a fiduciary. The Committee will review the assumptions used in establishing their risk tolerance and make adjustments as appropriate.

C. In carrying out these objectives, short-term fluctuations in the value of the Plan's assets shall be considered secondary to long-term investment results.

D. Asset classes and ranges considered appropriate for investment of funds are shown below. Target allocations are intended to serve as guidelines; the Investment Committee will rebalance the portfolio as outlined in this section. Market conditions or an investment transition (asset class or manager) may require an interim investment strategy and, therefore, a temporary imbalance in asset mix.

Asset Class	*Minimum*	*Target*	*Maximum*
U.S. Large Cap Equities	6.5%	10.0%	13.5%
U.S. Mid Cap Equities	3.2	5.0	6.8
U.S. Small Cap Equities	5.2	8.0	10.8
International Equities – Developed Markets	3.2	5.0	6.8
International Equities – Emerging Markets	6.5	10.0	13.5
Intermediate/Short (70/30) Fixed Income	5.5	8.5	11.5
High Yield Bonds	5.5	8.5	11.5
Private Real Estate	13.0	20.0	27.0
Private Equity	7.5	11.5	15.5
Commodities	2.3	3.5	4.7
Hedge Funds	6.5	10.0	13.5

E. Diversification of assets will ensure that adverse or unexpected results from a security class will not have an excessively detrimental impact on the entire portfolio. Diversification is interpreted to include diversification by type, by characteristic, and by number of investments, as well as by investment styles of the management organizations.

F. The Investment Committee will formally review rebalancing semi-annually as of March 31 (May meeting) and September 30 (November meeting). Asset allocations will generally be allowed to drift within stated allocation parameters.

1. When a maximum allocation is exceeded, excess funds will be invested in asset classes that are below their target allocation.
2. When an asset class falls below a minimum allocation, assets from managers or asset classes that are most above target allocations will be transferred.

II. Total Fund Performance Criteria

A. Total Fund performance will be monitored and results measured against absolute and relative return objectives. Results will be reviewed over a three- to five-year period (or a full market cycle).

B. The Investment Committee expects Total Fund, through its investment managers to achieve the following long-term performance objectives:

1. A return objective based on a long-term return assumption of 8.0 percent.
2. An unmanaged market index of:
    - 10% Russell 1000
    - 5% Russell MidCap
    - 8% Russell 2000
    - 5% MSCI EAFE
    - 10% MSCI Emerging Markets
    - 6% Bloomberg Barclays Government/Credit
    - 2.5% Bloomberg Barclays 1-3 Government/Credit
    - 8.5% Merrill Lynch U.S. High Yield Cash Pay
    - 20% NCREIF
    - 11.5% COERS Private Equity Custom Benchmark
    - 3.5% Bloomberg Commodities
    - 10% HFR Conservative
3. Above median performance of peer plans.

III. Investment Committee Role

The Investment Committee recognizes that its role is supervisory, not advisory, and that discretion is delegated to managers as long as they adhere to general guidelines established by the City of Omaha Employees Retirement System. The primary roles of the Investment Committee are to:

A. Establish and amend the Statement of Investment Objectives.

B. Establish Investment Manager Guidelines and review periodically.

C. Review investment results based on performance criteria established by the Committee.

D. Select an investment consultant to help monitor prudent investor requirements as they pertain to the investment of Plan assets.

E. Select, monitor and, if necessary, replace investment managers or advisors in a manner that reflects duty as a prudent investor.

F. Maintain compliance to allocation parameters outlined in the Investment Policy Statement.

IV. Periodic Review of Performance Criteria and Guidelines

These objectives and guidelines should be reviewed by the Investment Committee at least annually. Exceptions to these guidelines may be made at any time with the written approval of the Investment Committee. The Investment Committee will also review fund and manager performance on a regular basis.

Investment Guidelines for All Investment Managers

Introduction

The investment guidelines for investment managers are designed to provide managers with the opportunity to fully utilize their talents with minimal restrictions. The Committee believes this approach will enhance long-term investment returns for the City of Omaha Employees Retirement System while maintaining controls necessary to achieve asset allocation and other objectives associated with safeguarding of pension fund assets. The Committee reserves the right to withdraw assets or to terminate the relationship at any time and for any reason with notice as required per each management agreement.

I. General Guidelines

A. Managers are expected to comply with Nebraska statutes and ordinances of the City of Omaha as they relate to the investment of fund assets.

B. Each manager is expected to manage assets in a style similar to the one utilized over the past five years. Any significant deviation from the manager's stated style will require written approval.

C Managers are normally expected to be fully invested in their assigned asset class; exceptions must have the prior written approval of the Committee.

D. Investment managers are responsible for portfolio construction, security selection, security trading and strategies designed to exceed the performance of their benchmark.

II. General Restrictions

Prohibited investments for separate account managers hired to manage publicly-traded securities include:

A. All City of Omaha securities.

B. Restricted stock, except Rule 144(a) securities which are not prohibited investments.

C. Short-sale contracts.

D. Non-financial commodities.

E. Investment in private companies, other than by Private Equity Manager

F. Any levered investments resulting in portfolio leverage.

III. Cash Investments

To the extent that a manager holds cash:

A. Cash investments must be rated or have equivalent quality characteristics to those rated at least A-2 and P-2 or BBB.

B. Cash investments must be U.S.-dollar denominated unless specific authority to the contrary is given.

IV. Options, Futures and Derivative Investments

A. The City of Omaha Employees Retirement System must explicitly authorize, through individual manager guidelines, the use of futures, options or other derivative strategies (derivatives) by investment managers, based on proven expertise in derivative instruments.

B. Derivatives may be used only to hedge an account's investment risk or to replicate an investment that would otherwise be made directly in the cash market.

C. Leveraged use of derivatives is prohibited. The principal value of derivative exposure cannot exceed the position being hedged or replicated.

D. Use of derivatives should not modify the characteristics, including investment risk, such that the account violates the guidelines for the underlying portfolio.

V. Mutual Funds and Exchange Traded Funds (ETF's)

A. Specific client-directed guidelines are not applicable to asset classes that utilize comingled investment vehicles, such as Limited Partnerships, Comingled Funds, Luxembourg Mutual Investment Funds, Investment Company Act of 1940 Mutual Funds (Mutual Funds), and Exchange Traded Funds (ETF's). Such investments should be managed in accordance with the Prospectus terms of the fund in which clients' monies are invested, or Private Placement Memorandum that states the fund's investment program.

VI. Proxy Voting Policy

A. Proxy voting shall be delegated to investment managers. The manager's voting of proxies shall be solely in the interests of Plan participants and beneficiaries and for the exclusive purpose of providing benefits to those participants and beneficiaries.

B. Managers of *separate accounts* are required to supply the Investment Committee with a current copy of any internal guidelines for proxy voting developed by the manager, as well as a periodic (at least annual) report detailing proxy voting activities.

VII. Communications

Communications with the City of Omaha Employees Retirement System, at a minimum, should include:

A. Quarterly statements (via hard copy or electronic media), including actions taken in the portfolio, the economic outlook, and expected changes in the portfolio.

B. On a quarterly basis, performance results should address the criteria established by City of Omaha Employees Retirement System and should be provided to Committee members and to the Investment Consultant within 45 days from the end of the quarter.

C. Each quarter, the investment manager must confirm in writing within their regular report to Client and the Investment Consultant an affirmation of compliance to the guidelines and policies outlined in this "Investment Policy Statement." Any non-compliance should be identified and detailed in writing.

D. Managers are expected to conduct regular meetings with the Investment Committee of the City of Omaha Employees Retirement System, with the location and time to be determined by the Committee. A schedule of meeting dates will be sent to managers at at the end of 4Q or early in 1Q.

E. All pertinent changes in the firm should be reported ***as they occur*** by telephone and in writing. Included among the changes, but not limited to, are the following:

1. Changes in personnel.
2. Major changes in areas of responsibility.
3. Changes in investment philosophy or major strategies.
4. Any event which may impact the integrity or financial position of the manager.

VIII. Guideline Review

In view of the rapid changes within the capital markets and investment management techniques, these guidelines should be reviewed by the Investment Committee and the investment manager as necessary. Any recommendations should be communicated in writing to the Investment Committee for review. Exceptions to these guidelines may be made at any time with the approval of the Investment Committee.

Investment Guidelines for U.S. Large Cap Equities

In addition to the "Investment Guidelines For All Investment Managers," the following specific guidelines apply.

I. GUIDELINES

A. Investments are permitted in large capitalization equity securities (generally stocks greater than $5.0 billion in market cap size). Intended investments include common stocks or equivalents (issues convertible into common stocks, ADRs, etc.).

B. Equity investment in any one company should not exceed 5 percent of the equity portfolio at time of purchase.

C. Any single company's stock within the client's portfolio should not exceed five percent of that company's outstanding equity. The investment manager's aggregate ownership across client accounts may exceed five percent of a company's outstanding equity

D. Equities securities not listed on a recognized U.S. exchange may not be purchased without prior written approval.

E. The portfolio is expected to be fully invested. Cash should not represent more than 10 percent of the total equity portfolio.

F. All purchases and sales transactions should be conducted with a view toward obtaining best execution, considering all relevant factors.

II. LARGE CAP VALUE EQUITIES

A. Performance – Manager performance shall be monitored over a three to five year moving average (or a full market cycle) and compared to:
(1) An unmanaged market index comprised of the Russell 1000 Value Index compounded annually.
(2) A relative return target in the top half of the current investment consultant's peer group.

III. LARGE CAP GROWTH EQUITIES

A. Performance – Manager performance shall be monitored over a three- to five-year moving average (or a full market cycle) and compared to:
(1) An unmanaged market index comprised of the Russell 1000 Growth Index compounded annually.
(2) A relative return target in the top half of the current investment consultant's peer group.

Investment Guidelines for U.S. Mid Cap Equities

In addition to the "Investment Guidelines For All Investment Managers," the following guidelines apply.

I. GUIDELINES

A. Investments are permitted in Mid-Cap capitalization (generally between $2.0 and $10 billion in market cap size) equity securities including common stocks or equivalents (issues convertible into common stocks, ADRs, etc.).

B. Equity investment in any one company should not exceed 5 percent of the equity portfolio at time of purchase.

C. Any single company's stock within the client's portfolio should not exceed five percent of that company's outstanding equity. The investment manager's aggregate ownership across client accounts may exceed five percent of a company's outstanding equity

D. Equities securities not listed on a recognized U.S. exchange may not be purchased without prior written approval.

E. The portfolio is expected to be fully invested. Cash should not represent more than 10 percent of the total equity portfolio.

F. All purchases and sales transactions should be conducted with a view toward obtaining best execution, considering all relevant factors.

II. MID CAP VALUE EQUITIES

A. Performance - Manager performance shall be monitored over a three- to five-year moving average (or a full market cycle) and compared to:
   (1) An unmanaged market index comprised of the Russell Midcap Value Index compounded annually.
   (2) A relative return target in the top half of the current investment consultant's peer group.

III. MID CAP GROWTH EQUITIES

A. Performance – Manager performance shall be monitored over a three- to five year moving average (or a full market cycle) and compared to:
   (1) An unmanaged market index comprised of the Russell Midcap Growth Index compounded annually.
   (2) A relative return target in the top half of the current investment consultant's peer group.

Investment Guidelines for U.S. Small Cap Equities

In addition to the "Investment Guidelines For All Investment Managers," the following guidelines apply.

I. GUIDELINES

A. Investments are permitted in small capitalization (generally less than $2.0 billion in market cap size) equity securities including common stocks or equivalents (issues convertible into common stocks, ADRs, etc.).

B. Equity investment in any one company should not exceed 5 percent of the equity portfolio at time of purchase.

C. Any single company's stock within the client's portfolio should not exceed five percent of that company's outstanding equity. The investment manager's aggregate ownership across client accounts may exceed five percent of a company's outstanding equity

D. Equities securities not listed on a recognized U.S. exchange may not be purchased without prior written approval.

E. The portfolio is expected to be fully invested. Cash should not represent more than 10 percent of the total equity portfolio.

F. All purchases and sales transactions should be conducted with a view toward obtaining best execution, considering all relevant factors.

II. SMALL CAP VALUE EQUITIES

B. Performance - Manager performance shall be monitored over a three- to five-year moving average (or a full market cycle) and compared to:
   (1) An unmanaged market index comprised of the Russell 2000 Value Index compounded annually.
   (2) A relative return target in the top half of the current investment consultant's peer group.

III. SMALL CAP GROWTH EQUITIES

B. Performance – Manager performance shall be monitored over a three- to five year moving average (or a full market cycle) and compared to:
   (3) An unmanaged market index comprised of the Russell 2000 Growth Index compounded annually.
   (4) A relative return target in the top half of the current investment consultant's peer group.

Investment Guidelines for International Equities - Developed Markets

In addition to the "Investment Guidelines for All Investment Managers," the following guidelines apply.

I. Guidelines

A. Investments are permitted in the equity securities, including common stocks, ADRs, or equivalents, of non-U.S. developed market companies domiciled outside of the United States.

B. Equity investment in any one company should not exceed 5 percent of the equity portfolio at time of purchase.

C. Any single company's stock within the client's portfolio should not exceed five percent of that company's outstanding equity. The investment manager's aggregate ownership across client accounts may exceed five percent of a company's outstanding equity.

D. The manager should adequately diversify holdings across a range of countries avoiding undue influence of any one country.

E. Because this manager invests Fund assets in a separate account, the manager may invest up to 20 percent in equity securities traded in emerging markets.

F. The portfolio is expected to be fully invested. Cash investments should not represent more than 10 percent of the total equity portfolio and may be denominated in U.S. dollars or other major foreign currencies.

G. All purchases and sales transactions should be conducted with a view toward obtaining best execution, considering all relevant factors.

H. The use of options and other derivatives is permitted only for the purpose of controlling currency risk and enhancing portfolio values in a manner that is prudent.

II. Performance

Manager performance shall be monitored over a three- to five-year moving average (or a full market cycle) and compared to:

A. An unmanaged market index comprised of the MSCI EAFE Index in U.S. dollars compounded annually.

B. A relative return target in the top half of the current investment consultant's peer group.

Investment Guidelines for International Emerging Markets Equities

In addition to the "Investment Guidelines for All Investment Managers," the following guidelines apply.

I. GUIDELINES

A. Emerging Market assets are invested through an open-end mutual fund. The manager will adhere to the stated guidelines for that fund.

B. Investments are permitted in non-U.S. emerging markets in equity securities including common stocks or equivalents where principal markets are outside of the U.S.

C. Any single company's stock within the client's portfolio should not exceed five percent of that company's outstanding equity. The investment manager's aggregate ownership across client accounts may exceed five percent of a company's outstanding equity

D. The investment manager's aggregate investment in the stock of any one company should not exceed 10 percent of its equity outstanding.

E. The manager should adequately diversify holdings across a range of countries avoiding undue influence of any one country.

F. The portfolio is expected to be fully invested. Cash investments should not represent more than 10 percent of the total equity portfolio and may be denominated in U.S. dollars or other major foreign currencies.

G. All purchases and sales transactions should be conducted with a view toward obtaining best execution, considering all relevant factors.

H. The use of options and other derivatives is permitted only for the purpose of controlling currency risk and enhancing portfolio values in a manner that is prudent.

II. PERFORMANCE

Manager performance shall be monitored over a three- to five-year moving average (or a full market cycle) and compared to:

A. An unmanaged market index comprised of the MSCI Emerging Markets Index in U.S. dollars compounded annually.

B. A relative return target in the top half of the current investment consultant's peer group.

Investment Guidelines for Fixed Income

In addition to the "Investment Guidelines for All Investment Managers," the following guidelines apply.

I. GUIDELINES

A. Investments are permitted in fixed income securities including obligations of the U.S. Government or its agencies, U.S. corporations, Yankee Bonds, which include foreign issuers who issue dollar denominated debt in the United States, mortgages, taxable municipal securities and other asset-backed securities.

B. Corporate bonds shall be diversified by issuer type; for example, industry, utility, financial or telephone issues; and no more than 5 percent of the portfolio shall be invested in the obligations of any one issuer (no allocation restrictions on U.S. Government/Agency securities).

C. Only investment grade securities are permitted and no more than 20 percent can be invested in bonds rated BBB at the time of purchase. In a split-rated security the lower quality rating shall prevail.

D. Average quality of the portfolio shall be rated at least A by the lower of Moody's or Standard and Poors rating agencies.

E. Securities of companies which are private and have no outstanding public stock are acceptable up to a 5% maximum exposure, provided they possess ample liquidity and marketability in the opinion of the manager. Securities for which there is not a public market or which are not readily marketable, including those which are privately placed are prohibited.

F. In the event a security is downgraded after purchase to below investment-grade by either Moody's or Standard and Poors, the investment manager must notify the Board immediately, and must dispose of that security within 30 days, taking into account the rules of best execution.

G. The purchase of highly volatile mortgage-backed securities such as, but not limited to, interest only (IO) principal only (PO) and inverse floating securities, or any other derivatives security of similar risk or leverage, is prohibited.

H. The portfolio is expected to be fully invested. Cash should not represent more than 10 percent of the total portfolio.

I. All purchases and sales transactions should be conducted with a view toward obtaining best execution, considering all relevant factors.

II. PERFORMANCE

Manager performance shall be monitored over a three- to five-year moving average (or a full market cycle) and compared to:

A. An unmanaged market index comprised of 70% Bloomberg Barclay's Government/Credit Bond Index and 30% 1-3 Bloomberg Barclay's Government/Credit Bond Index, compounded annually.

Investment Guidelines for High Yield Fixed Income

In addition to the "Investment Guidelines for All Investment Managers," the following guidelines apply.

I. GUIDELINES

A. Obligations of the U.S. Government or Government Agencies may be held in any amounts.

B. Corporate bonds which are obligations of U.S. corporations shall be diversified by issuer type; for example industry, utility, financial or telephone issues; and at the time of purchase no more than 5% of the portfolio shall be invested in the obligations of any one issuer.

C. No more than 10% of the portfolio shall be invested in securities which are denominated in a foreign currency.

D. No more than 10% of the portfolio shall be invested in convertible securities or preferred stocks.

E. At the time of purchase, no more than 50% of the portfolio may be invested in 144A securities. 144A securities are permissible only if they have public offerings with or without registration rights.

II. PERFORMANCE

A. Manager performance shall be monitored using a three-year moving average and performance will be compared to:

(1) An unmanaged market index comprised of the Merrill Lynch U.S. High Yield Cash Pay Index, compounded annually.

(2) A relative return target of the top half of a representative peer group of similar style fixed income managers.

Investment Guidelines for Real Estate

I. GUIDELINES

A. Real estate assets are invested through a core property, open-end, commingled fund. The manager will adhere to the stated guidelines for that fund, which includes the use of up to 30% leverage for Core Real Estate and up to 65% leverage for Value Added Real Estate. The fund is to be well diversified by property type and geographical location

B. The manager is expected to remain fully invested, however, the manager has discretion to use cash within the fund to maximize total return. If the manager intends to hold a significant amount of cash for an extended period of time, the manager must submit a formal written request explaining the rationale to the Investment Committee.

II. CORE REAL ESTATE

A. Performance: Manager performance shall be monitored, using a three- and five- year moving average, and performance will be compared to:

(1) The NCREIF Property Index

(2) A relative return target in the top half of the current investment consultant's peer group.

III. VALUE ADDED REAL ESTATE

A. Performance: Manager performance shall be monitored, using a three- and five- year moving average, and performance will be compared to:

(1) NCREIF-ODCE plus 300 basis points
(2) A relative return target in the top half of the current investment consultant's peer group.

Investment Guidelines for Private Equity Investments

I. GUIDELINES

A. Private Equity is a generic term that may include the following strategies/sectors: Venture Capital, Corporate Finance, Mezzanine, Buyouts, Distressed Debt, Special Situations, Secondary Interests, and Direct Co-Investments. Diversification within a Private Equity program should include Strategy/Sector, Industry, Stages, Geography, Vintage Year and Size of Investment. This type of less-liquid investment is typically accompanied by minimal allocation/rebalancing controls, early losses (J-curve effect), and wide divergence of returns. Private Equity investments are to be managed in accordance with the terms of the fund in which clients' monies are invested, Private Placement Memorandum that states the fund's investment program, or client specific side letter agreements, regardless of investment vehicle structure (i.e. Limited Partnership, Comingled Fund, Luxembourg Mutual Investment Fund, Investment Company Act of 1940 Mutual Fund, etc.).

B. The manager is not expected to be fully invested; rather, the manger has discretion to time capital calls from the client with the goal of maximizing total return. The manager is expected to reasonably estimate the timing of near-term (next 12 months) capital calls.

II. PERFORMANCE

A. The performance of the private equity program will be compared to a custom, dynamic benchmark that coincides with the typical phases of a private equity program (deployment, production, and harvest) and The City's inception date(s) of the current private equity program(s). During the deployment phase (initial funding through year 4) the manager's actual returns are used as the benchmark. During the production phase (years 5-7) the S&P 500 is used. The final harvest phase begins in year 8 and the benchmark will transition one final time to the S&P 500 + 400bps.

Investment Guidelines for Commodities

I. GUIDELINES

A. Commodities such as metals, oil and gas, agriculture and livestock represent the world's raw materials that are the building blocks for all consumed and manufactured goods. As real assets, commodities diversify a portfolio away from primary holdings in stocks and bonds. Commodities investments are to be managed in accordance with the terms of the fund in which clients' monies are invested, Private Placement Memorandum that states the fund's investment program, or client specific side letter agreements, regardless of investment vehicle structure (i.e. Limited Partnership, Comingled Fund, Luxembourg Mutual Investment Fund, Investment Company Act of 1940 Mutual Fund, etc.).

B. The manager is expected to be fully invested; however, the manger has discretion to use cash within the fund to maximize total return. If the manager intends to hold a significant amount of cash for an extended period of time, the manager must submit a formal written request explaining the rationale to the Investment Committee.

II. COMMODITIES

A. Performance - Manager performance shall be monitored using a three- and five-year moving average and performance will be compared to:
(1) An unmanaged market index comprised of the Bloomberg Commodities Index, compounded annually.
(2) A relative return target of the top half of a representative peer group of similar style Commodities managers.

Investment Guidelines for Hedge Fund of Funds

I. GUIDELINES

A. Specific client-directed guidelines are not applicable to asset classes that utilize comingled investment vehicles, such as Limited Partnerships, Comingled Funds, Luxembourg Mutual Investment Funds, Investment Company Act of 1940 Mutual Funds (Mutual Funds), and Exchange Traded Funds (ETF's). Such investments should be managed in accordance with the Prospectus terms of the fund in which clients' monies are invested, or Private Placement Memorandum that states the fund's investment program.

This asset class will use a comingled investment vehicle, which utilizes a Fund of Fund approach (FOF). This approach was chosen as a means of diversifying managers and strategies within the universe of conservative hedge fund managers. The committee understands that the investment vehicles (partnership, LLC, etc.) within this asset class have limited regulation and employ one or more strategies with an absolute return focus. Absolute return is defined as the achievement of positive return regardless of the market's direction. The manager may invest in a wide variety of investment instruments, with active use of derivatives, leverage, and long/short positions. The manager may utilize active and dynamic (pairing/combining securities) trading strategies as he or she attempts to identify and exploit arbitrage opportunities in securities perceived to be inefficiently priced. Key skill sets include specialist knowledge and proprietary models used to identify and exploit capital market opportunities. Return objectives vary, but often the objective is to exceed the S&P 500 index with lower volatility (higher Sharpe ratios).

B. The manager is expected to be fully invested; however, the manger has discretion to use cash within the fund to maximize total return. If the manager intends to hold a significant amount of cash for an extended period of time, the manager must submit a formal written request explaining the rationale to the Investment Committee.

II. HEDGE FUND OF FUNDS

A. Performance - Manager performance shall be monitored using a three- and five-year moving average and performance will be compared to:

(1) An unmanaged market index comprised of the Hedge Fund Research Fund of Fund - Conservative Index (HFR FOF-Conservative), compounded annually.

(2) A relative return target of the top half of a representative peer group of similar style Hedge FOF managers.

Investment Committee Approval
of
Investment Policy Statement

The undersigned hereby approves the City of Omaha Employees Retirement System Investment Policy Statement adopted.

Investment Committee

Signature	*Printed Name*	*Date*
[signature]	Buster Brown	12/21/16
[signature]	Allen Herink	12/21/16
[signature]	Dave Felber	12/21/16

Appendix A

Investment Manager	Asset Class	Fee Schedule
Ariel	Small Cap Value	1.00% on the first $10M
		0.75% on the next $10M
		0.50% on all assets over $20M
Columbia Trust U.S. High Yield Bond Collective Trust	High Yield Bonds	0.46% on the value of the investment
Denver Investment Advisors *	Domestic Fixed Income - 70% BlmBrc G/C, 30% 1-3 BlmBrc G/C	0.30% on the first $25M 0.25% on the balance
DePrince, Race & Zollo	Large Cap Value	0.44% on the value of the investment
Edgewood	Large Cap Growth	1.00% on value of Investment
First National Wealth Management	Domestic Fixed Income - 70% BlmBrc G/C, 30% 1-3 BlmBrc G/C	0.30% on total value of the investment
Gresham Investment Mngmt LLC	Commodities	0.40% + 30% of Outperformance on less than $10M
		0.30% + 30% of Outperformance on $10M - $49M
JP Morgan	Private Equity	See Note at end of Appendix
Corporate Finance	$13.5M	
Global Private Equity	$ 12.0M	
Venture Capital	$ 5.4M	
European Corp Finance	$ 8.1M	
New Amsterdam Partners	Mid Cap Equity	0.50% on first $10M
		0.40% on the next $15M
		0.30% on assets over $25M

Money Manager	Asset Class	Fee Schedule
Lazard Asset Management Emerging Markets Equity Portfolio - LZEMX	Emerging Markets Equity	1.10% of total value of the investment
Lazard Asset Management = International Equity - LZIEX	International Equity	0.84 % of total value of the investment
Prudential PRISA *	Core Real Estate	Note 2 at end of Appendix
Prudential PRISA III *	Core Real Estate	Note 3 at end of Appendix
UBS	Hedge Fund	0.90% on value of Investment

* Fee of Denver and Prudential PRISA I and III are on the combined market value of the City of Omaha Employees Retirement System and the City of Omaha Police & Fire Retirement System.

Note 1: JP Morgan Fees

US & European Corporate Finance IV

Annual management fee as a percentage of capital commitment	
Fee for initial 8 years	0.55%
Average fee over 15 years*	0.47%
Incentive fee/Carried Interest	
New partnership investments	5.0%
Secondary partnership investments	10.0%
Direct co-investments	20.0%

Venture Capital IV

Annual management fee as a percentage of capital commitment	
Fee for initial 8 years	0.70%
Average fee over 15 years*	0.59%
Incentive fee/Carried interest	
New partnership investments	5.0%
Secondary partnership investments	10.0%
Direct co-investments	20.0%

Global Private Equity V & VI

Annual management fee as a Percentage of capital commitment	
Fee for initial 5 years	0.55%
Average fee over 15 years**	0.34%
Incentive fee/Carried Interest	
New partnership investments	5.0%
Secondary partnership investments	10.0%
Direct co-investments	15.0%

*Assumptions: Assumes all investments are fully exited or written off at the end of the fund life at 15 years
** Assumptions: (i) equal commitment to investments across first three years; (ii) 70% partnerships, 15% secondary investments, 15% direct investment.; (iii) management fee is terminated when investments are fully exited or written off; (iv) 13 year life for partnerships, 5 year life for secondary investments, 4 year life for direct investments. Average fees are sensitive to investment life assumptions. For example, an increase in the life of secondary and direct investments of one year results in an increased average fee of approximately 2 basis points.

Note 2: Prudential PRISA Fees – For a detailed fee schedule, please refer to PRISA Strategic Plan, PRISA Annual Report & the most recent Advisory Council Presentations.
Note 3: Prudential PRISA III Fees – For a detailed fee schedule, please refer to Private Placement Memorandum.